

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application:

**Listing of Claims:**

1 – 18. (Cancelled).

19. (Currently Amended) A read head, comprising:

a GMR spin valve stack including at least a pinned layer, a free layer, wherein sides of the pinned layer and the free layer are substantially aligned, and a stabilization layer including a pair of separated regions of patterned exchange bias material, each region of patterned exchange bias material being disposed over a respective one of opposite ends of the free layer; and

a pair of shields, one disposed on either side of the GMR spin valve stack, with one of the shields being formed to include integral side shields that substantially enclose the free layer between the pair of shields.

wherein the separated regions of patterned exchange bias material are located between the free layer and an electrode between the free layer and a shield.

20. (Original) A read head as defined in claim 19, wherein the GMR spin valve stack is configured to operate in a current perpendicular to plane (CPP) mode.

21. (Currently Amended) ~~A read head as defined in claim 20,~~ A read head, comprising:

a GMR spin valve stack including at least a pinned layer, a free layer, wherein sides of the pinned layer and the free layer are substantially aligned, and a stabilization layer including a pair of separated regions of patterned exchange bias material, each region of patterned exchange bias material being disposed over a respective one of opposite ends of the free layer; and

a pair of shields, one disposed on either side of the GMR spin valve stack, with one of the shields being formed to include integral side shields that substantially enclose the free layer between the pair of shields

wherein the GMR spin valve stack is configured to operate in a current perpendicular to plane (CPP) mode; and

wherein the pair of shields are electrically conductive and wherein the GMR spin valve stack includes an electrode at the top thereof and an electrode at the bottom thereof.

22. (Original) A read head as defined in claim 19, wherein the GMR spin valve stack is configured to operate in a current in plane (CIP) mode.
23. (Original) A read head as defined in claim 22, further including electrically conductive leads that are in a gap formed between the pair of shields.
24. (Original) A read head as defined in claim 19, further including a layer of insulating material forming a gap between the pair of shields in the regions at either end of the GMR spin valve stack.
25. (Original) A read head as defined in claim 24, wherein the gap layer is deposited in a self-aligned process.
26. (Original) A read head as defined in claim 24, wherein the gap layer includes a portion that covers at least portions of the sides of the stack.
27. (Previously Presented) A read head, comprising:  
a GMR spin valve stack including at least a pinned layer and a free layer;  
a first shield disposed at a first end of the GMR spin valve stack and a second shield disposed at a second end of the GMR spin valve stack, the second shield being formed to include integral side shields that extend toward the first shield ; and  
an insulated layer of permanent magnet material disposed between the shields and abutting the free layer,  
wherein the integral side shields of the second shield extend beyond at least a portion of the insulated layer of permanent magnet material.
28. (Original) A read head as defined in claim 27, wherein the GMR spin valve stack is configured to operate in a current perpendicular to plane (CPP) mode.
29. (Original) A read head as defined in claim 28, wherein the pair of shields are electrically conductive and wherein the GMR spin valve stack includes an electrode at the top thereof and an electrode at the bottom thereof.

30. (Currently Amended) ~~A read head as defined in claim 27;~~ A read head, comprising:  
a GMR spin valve stack including at least a pinned layer and a free layer;  
a first shield disposed at a first end of the GMR spin valve stack and a second shield disposed at  
a second end of the GMR spin valve stack, the second shield being formed to include  
integral side shields that extend toward the first shield ; and  
an insulated layer of permanent magnet material disposed between the shields and abutting the  
free layer,  
wherein the integral side shields of the second shield extend beyond at least a portion of the  
insulated layer of permanent magnet material  
wherein the GMR spin valve stack is configured to operate in a current in plane (CIP) mode.
31. (Currently Amended) A read head as defined in claim 30, further including electrically conductive leads that are with the permanent magnet material in a gap formed between the first and second shields.
32. (Previously Presented) A read head as defined in claim 31, further including a layer of insulating material on either side of the permanent magnet material and conductive leads at either end of the GMR spin valve stack.
33. (Previously Presented) A read head as defined in claim 27, further including a pair of gap layers of insulating material, one disposed on either side of the permanent magnet material to form a gap between the first and second shields in the regions at either end of the GMR spin valve stack.
34. (Original) A read head as defined in claim 33, wherein the gap layer is deposited in a self-aligned process.
35. (Original) A read head as defined in claim 33, wherein the gap layer includes a portion that covers at least portions of the sides of the stack.
36. (Previously Presented) A read head as defined in claim 27, wherein the free layer has opposed ends and the layer of permanent magnet material abuts at least a portion of the ends of the free layer.
37. (Previously Presented) A read head as recited in claim 21, wherein at least a portion of the electrode at the top of the GMR spin valve stack is located between the pair of regions of patterned exchange material.

38. (Currently Amended) A read head, comprising:  
a GMR spin valve stack including at least a pinned layer and a free layer;  
a first shield disposed at a first end of the GMR spin valve stack and a second shield disposed at  
a second end of the GMR spin valve stack, the second shield being formed to include  
integral side shields that substantially enclose at least a portion of the free layer; and  
an insulated layer of permanent magnet material disposed between the shields and abutting  
opposite ends of the GMR spin valve stack, the insulated layer of permanent magnetic  
material comprising a first insulating layer abutting a lower portion of the GMR spin  
valve stack including said pinned layer on top of ~~and~~ an electrode ~~contacting the pinned~~  
~~layer.~~
39. (Cancelled).
40. (Previously Presented) The read head of claim 19, wherein the electrode is formed over  
an upper surfaces of the separated regions of patterned exchange bias material and  
between the separated regions of patterned exchange bias material.
41. (Previously Presented) The read head of claim 19, wherein a gap layer is located between  
sides of the separated regions of patterned exchange bias material and the pair of shields.
42. (Cancelled).
43. (Previously Presented) The read head of claim 19, wherein sides of the separated regions  
of patterned exchange bias material are substantially aligned with the sides of the free  
layer and the pinned layer of the GMR spin valve stack.
44. (Currently Amended) ~~The read head of claim 43,~~ A read head, comprising:  
a GMR spin valve stack including at least a pinned layer, a free layer, wherein sides of the pinned  
layer and the free layer are substantially aligned, and a stabilization layer including a pair  
of separated regions of patterned exchange bias material, each region of patterned  
exchange bias material being disposed over a respective one of opposite ends of the free  
layer; and  
a pair of shields, one disposed on either side of the GMR spin valve stack, with one of the shields  
being formed to include integral side shields that substantially enclose the free layer  
between the pair of shields;

wherein sides of the separated regions of patterned exchange bias material are substantially aligned with the sides of the free layer and the pinned layer of the GMR spin valve stack;

wherein the separated regions of patterned exchange bias material are located between the free layer and an electrode, and

wherein sides of the electrode are substantially aligned with sides of the separated regions of patterned exchange bias material.

45. (Previously Presented) The read head of claim 27, wherein the insulated layer of permanent magnet material comprises:

a first insulating layer abutting a lower portion of the GMR spin valve stack;

a permanent magnet material layer abutting the free layer of the GMR spin valve stack; and

a second insulating layer formed over the permanent magnet material layer.

46. (Currently Amended) The read head of claim 45, wherein the first insulating layer abuts the pinned layer of the GMR spin valve stack and ~~an electrode contacting the pinned layer~~ is on top of an electrode.

47. (Previously Presented) The read head of claim 45, wherein the permanent magnet material layer has a thickness that is substantially equal to a thickness of the free layer of the GMR spin valve stack.

48. (Previously Presented) The read head of claim 27, wherein the insulated layer of permanent magnet material comprises:

a first insulating layer abutting a lower portion of the GMR spin valve stack; and

a permanent magnet material layer abutting the free layer of the GMR spin valve stack; and

wherein the integral sides shields of the second shield extend beyond at least a portion of the permanent magnet material layer abutting the free layer.

49. (Previously Presented) The read head of claim 48, wherein the insulated layer of permanent magnet material further comprises a second insulating layer formed over the permanent magnet material layer; and

wherein the integral sides shields of the second shield extend beyond at least a portion of the second insulating layer.

50. (Previously Presented) The read head of claim 38, wherein the insulated layer of permanent magnet material comprises:
- said first insulating layer abutting a lower portion of the GMR spin valve stack;
- a permanent magnet material layer abutting the free layer of the GMR spin valve stack; and
- a second insulating layer formed over the permanent magnet material layer.
51. (Cancelled).
52. (Previously Presented) The read head of claim 50, wherein the permanent magnet material layer has a thickness that is substantially equal to a thickness of the free layer of the GMR spin valve stack.
53. (Previously Presented) The read head of claim 38, wherein the insulated layer of permanent magnet material comprises:
- said first insulating layer abutting a lower portion of the GMR spin valve stack; and
- a permanent magnet material layer abutting the free layer of the GMR spin valve stack; and
- wherein the integral sides shields of the second shield extend beyond at least a portion of the permanent magnet material layer abutting the free layer.
54. (Previously Presented) The read head of claim 53, wherein the insulated layer of permanent magnet material further comprises a second insulating layer formed over the permanent magnet material layer; and
- wherein the integral sides shields of the second shield extend beyond at least a portion of the second insulating layer.